

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

PROJECT TITLE:

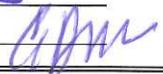
Addendum to the Kronos Sales, Software Licensing and Services Agreement

- Briefing
- Proposed Action
- Consent
- Action
- First Reading
- Second Reading
- Third Reading
- Public Hearing

COUNCIL BILL #
 Originating Dept.
 Contact Person
 Phone Number
 FOR AGENDA OF

IT/HR/Police
 Steven Hellyer
 425-257-8686
 January 27, 2016

Initialed by:
 Department Head
 CAA
 Council President

<u>Location</u>	<u>Preceding Action</u>	<u>Attachments</u>	<u>Department(s) Approval</u>
Human Resources, Police	Original Agreement Addendum #1 Addendum #2	Kronos Order Form and Statement of Work	Information Technology

Amount Budgeted	\$35,180	
Expenditure Required	\$35,180	Account Number(s): 156-565-0000-410
Budget Remaining	-0-	
Additional Required	-0-	

DETAILED SUMMARY STATEMENT:

The Kronos Sales, Software Licensing and Services Agreement was approved by City Council on July 23, 2014. This Addendum upgrades the Kronos Telestaff Scheduling System to Version 5 for Police and enables integration with the existing Kronos WorkForce Central platform used by the City for Timekeeping.

RECOMMENDATION (Exact action requested of Council):

Authorize the Mayor to sign the Addendum to the Kronos Sales, Software Licensing and Services Agreement for an additional cost of \$35,180 and no Washington State sales tax.



ORDER FORM

Quote#: 513625 - 1
 Expires: 22-JAN-2016
 Sales Executive: Pajevic, Nedim

Order Type: Upgrade US
 Date: 11-JAN-2016
 Page: 1/2

Bill To: Attn:DOROTHY CLAYMORE
 CITY OF EVERETT
 2930 WETMORE AVE 6A
 EVERETT
 WA 98201
 United States

Ship To: Attn:DOROTHY CLAYMORE
 CITY OF EVERETT
 2930 WETMORE AVE 6A
 EVERETT
 WA 98201
 United States

Solution ID: 6105448

Contact: Dorothy Claymore
Email: DClaymore@everettwa.gov
Ship To Phone:

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:

This order is subject to the terms and conditions of that certain Sales, Software License and Services Agreement between Kronos and Customer dated 08/11/2014.

PROFESSIONAL SERVICES / EDUCATIONAL SERVICES

Item	Quantity	Unit Price	Total Price
MOMENTUM ONLINE REMOTE TEAM	10 Hours	180.00	1,800.00
Project Manager	10 Hours	180.00	
PROFESSIONAL SERVICES - TELESTAFF	66 Hours	180.00	11,880.00
Solution Consultant	66 Hours	180.00	
PROFESSIONAL SERVICES - TECHNICAL SERVICES TELESTAFF	20 Hours	215.00	4,300.00
Technology Consultant	20 Hours	215.00	
MOMENTUM SENIOR INTEGRATION	80 Hours	215.00	17,200.00
Senior Integration Consultant	80 Hours	215.00	
	Total Price		35,180.00

QUOTE SUMMARY

Description	Total Price
Subtotal	35,180.00
Deposit	0.00
Tax	0.00
Grand Total	35,180.00

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 www.kronos.com

CITY OF EVERETT

Signature: _____

Name: _____

Title: _____

Effective Date: _____

Kronos IncorporatedSignature: Mary LavoieName: Mary LavoieTitle: Sr. Business AnalystEffective Date: 1/13/16

Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE. The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html. Shipping and handling charges will be reflected on the final invoice.



Statement of Work

Everett Police - 6105448

Upgrade TeleStaff v2.x to Workforce TeleStaff v5 in Microsoft SQL Server and Integrate with Workforce Central

Sales Executive	Nedim Pajevic	Presales Consultant	
Expiration Date	1/22/2016	Service Portfolio Consultant	Howard Stohlman
Customer Name	City of Everett	File Name Control ID	2015-19027
SOW Create Date	6/2/2015	Revision #	1
Project Type	Upgrade with Add-on	Status	Approved



1. PROJECT SCOPE

This Statement of Work (also known as the "SOW") documents the agreement between Kronos and Everett Police concerning the services to be performed by Kronos, including the deliverables, the costs of the project, and the responsibility of each.

1.1. PROJECT OVERVIEW

Successfully deliver the following remotely:

- Upgrade TeleStaff v2.x to Workforce TeleStaff 5.x
- Migrate from Sybase to SQL Server
- Configure LDAP
- Configure integration between Workforce TeleStaff and Workforce Central
- Configure Aspect for Workforce TeleStaff.

1.2. PRODUCT SUMMARY

The following products are considered in scope for the services and fees defined within this document, unless otherwise noted below. Additional products and/or licenses may incur additional fees.

Product	Implementation Type	Version
Workforce TeleStaff Enterprise	Upgrade with Features	5.x
Workforce TeleStaff Global Access	Upgrade with Features	5.x
Workforce TeleStaff Gateway Manager	New	5.x
Workforce TeleStaff Gateway Manager Interface to WFC	New	5.x
Workforce TeleStaff Contact Manager	Upgrade with Features	5.x
Aspect Evolution	New	N/A



2. PROJECT GUIDELINES

2.1. CHANGE CONTROL

If the Scope of Services defined in this document changes at any time during the course of this project, Kronos and City of Everett will review and adjust the scope and budget of services through standard Kronos change control procedures in place at the time of signing of this SOW, located <http://www.kronos.com/professionalservicesengagementpolicies.aspx> as documented in Appendix A.

2.2. CUSTOMER APPROVAL OF SERVICE DELIVERABLES

As part of the project, service deliverables may be provided to Everett Police for approval and/or acceptance. Delays in customer approval/acceptance of deliverables will result in an extension of the project timeline and may result in additional services being required. To avoid project delays and increased costs, Everett Police should expect to approve/accept deliverables or provide written notification of errors to Kronos within five (5) business days after receipt of the deliverable. Following the receipt of a revised deliverable, Everett Police will then have an additional five (5) business days to report that all errors have been resolved and provide deliverable acceptance.



3. PROJECT SCOPE DETAIL

3.1. APPLICATION BUILDING BLOCKS

Technology Factors	
Total number of environments	2
The database platform will be	SQL Server
Integrations In Scope	
<p>Kronos will configure the integrations between Workforce Central and Workforce TeleStaff.</p> <ul style="list-style-type: none"> • 1 Workforce Timekeeper TeleStaff Interface • 1 TeleStaff Databases; Scope includes: Standard person import from WFC; Standard Accrual import from WFC, Standard Roll-call punch from WFC; Standard Roster/schedule export to WFC • Customer tests and validates 	
Workforce TeleStaff Enterprise	
This product will be implemented in phase	1
Number of Employees within Scope	250
Workforce TeleStaff Enterprise Professional Services Scope	
<p>1 Database Conversion includes: TeleStaff version upgrade; Database migration/mapping; Post-migration unit testing.</p> <p>General Workflow Process:</p> <ul style="list-style-type: none"> • Customer sends Kronos database back up • Customer configures a database server with Microsoft SQL • Kronos converts database from Sybase to SQL Server and sends database back to customer • Kronos restores converted database on customer's server and verifies functionality • Customer tests and validates <p>TeleStaff 2.x to Workforce TeleStaff</p> <p>Kronos works interactively with customer, the customer's application/database server(s) and upgrades the TeleStaff version from v2.x to v5.x (latest version) in test and configures Workforce TeleStaff for LDAP.</p> <p><i>Production Environment</i></p> <ul style="list-style-type: none"> • Introduction and planning call • 1 Application Server(s), 1 Database Server • Payroll Export configuration. Verify existing payroll export is functioning correctly as part of the upgrade or work with the customer to configure an export file if desired. • Assist with SSL termination if needed <p><i>Test Environment</i></p>	



<ul style="list-style-type: none"> 1 Application Server(s), 1 Database Server Customer validates and goes live	
Aspect Technology Factors	
Implementation Type	Evolution
Aspect Professional Services Scope	
Kronos configures Aspect for Workforce TeleStaff. <ul style="list-style-type: none"> Introduction and planning call Installation and configuration of Evolution account Configuration of Workforce TeleStaff Line Manager Customer tests and validates 	

4. PROJECT COSTS AND RATE SCHEDULES

All estimates are quoted in USD

4.1. PROFESSIONAL SERVICES - BY ROLE

Role	Quantity	Unit of Measure	Part Number	Rate	Total
Project Manager	10	HR	9990002-ONL	\$180.00	\$1,800.00
Solution Consultant	66	HR	9990057-PRO	\$180.00	\$11,880.00
Technology Consultant	20	HR	9990079-PRO	\$215.00	\$4,300.00
Sr. Integration Consultant	80	HR	9990070-PRO	\$215.00	\$17,200.00
Totals:	176				\$35,180.00

4.2. SOLUTION SUMMARY

Service Type	Estimated Cost
Professional Services	\$35,180.00
Total Estimated Investment	\$35,180.00



5. SIGNATURES AND APPROVALS

SUBMITTED AND APPROVED BY KRONOS REPRESENTATIVE

By: *[Signature]* Date: 1/11/2016

Title: SERVICES ARCHITECT

This Statement of Work is subject to the City of Everett's agreement with Kronos governing Professional, Education and Cloud Services. By signing below, the City of Everett's authorized representative agrees to purchase the services described herein.

ACCEPTED AND AGREED

City of Everett

By: _____ Date: _____

Title: _____

The City of Everett may make necessary copies of this document for the sole purpose of facilitating internal evaluation and/or execution of proposed project. Otherwise, the document or any part thereof may not be reproduced in any form without the written permission of Kronos. All rights reserved. Copyright 2015.



APPENDIX A

1.1. Professional and Educational Services Engagement Policies

The following are intended to provide the policies under which Kronos Professional and Educational Services will operate during the course of a customer engagement:

1. Kronos will provide the Customer with a Services Scope Statement (also known as the "Statement of Work" or SOW) that outlines the project deliverables and provides an estimate for the project scope and cost required to complete the engagement, based upon preliminary information provided by the Customer. This Services Scope Statement is an estimate; the Assess Phase of the engagement will be used to determine whether modifications to the project scope or project budget are required.
2. The Services Scope Statement is valid for one year from the date of signature.
3. Any changes to the project scope and/or project duration will be reflected through the generation of a Kronos Change Order, which is initiated by the Kronos Project Manager and approved and signed by the Customer.
 - a. These changes could be due to an increase or change in project scope or deliverables, insufficient customer resources or time commitment, changes to customer project schedule, or technical limitations.
4. Unless otherwise addressed within these policies, the hourly rate(s) quoted within a Change Order for work to be performed within normal business hours will be consistent with that contained within the original Services Scope Statement. In instances where specialized resources are requested, but not contained within the original Services Scope Statement, the quoted rate will be established as Kronos' current rate for such requested services.
5. Kronos personnel working at the Customer site shall have access to necessary infrastructure (servers, network, etc.).
6. In instances where Kronos personnel are working remotely access will be granted through the use of industry standard tools (VPN, DTS, GoToMyPC, PCAnywhere, etc.).
7. Customer agrees to not hire any Kronos employee who has performed services under the Agreement for a period of one-year after the completion of such services
8. If not hosted by Kronos Cloud Services, all required system administration, maintenance, backups, tuning, etc., is the responsibility of the Customer
9. Customer Data: To perform the implementation and to provide support after completion, Kronos may need to access and retain information regarding your employees and business organization. Kronos will take all reasonable steps to limit and safeguard the security of this information.
10. Scheduled Work Policies:
 - a. Professional Services

- i. Professional Services work will be conducted during normal business hours, 8:00AM – 5:00PM, Monday through Friday.
- ii. All Professional Services work scheduled to start outside of normal business hours will be billed in full at a premium rate described below. For work to be performed after hours, on holidays, or on weekends, an approved Change Order will be required prior to scheduling (see Change Order Process below). Customers will be charged as follows:
 - 1. All Professional Services will be scheduled and billed in 4 hour increments with a minimum charge of 4 hours.
 - a. After Hours
 - i. All scheduled work will be billed at 1.5 times the contract rate by role
 - ii. After Hours is considered 5:00PM-8:00AM, Monday through Friday
 - b. Weekends
 - i. All scheduled work will be billed at 2.0 times the contract rate by role
 - ii. Weekends are considered 5:00PM Friday through 8:00AM Monday
 - c. Holiday
 - i. All scheduled work will be billed at 2.0 times the contract rate by role
 - ii. Holidays are any Kronos recognized Holidays, which include: New Year's Day, President's Day, Memorial Day, Independence Day, Thanksgiving Day, the day after Thanksgiving, Christmas Day.

b. Education Services

- i. All training course delivery scheduled to start outside of normal business hours will be billed in full at a premium rate described below. Customers will be charged as follows:
 - 1. After Hours
 - a. There will be a 1.5 times premium per student for public courses or per class for private day rates
 - b. After Hours is considered 5:00PM-8:00AM, Monday through Friday
 - 2. Weekends
 - a. There will be a 2.0 times premium per student for public courses or per class for private day rates
 - b. Weekends are considered 5:00PM Friday through 8:00AM Monday
 - 3. Holidays
 - a. There will be a 2.0 times premium per student for public courses or per class for private day rates

- b. Holidays are any Kronos recognized Holidays, which include: New Year's Day, President's Day, Memorial Day, Independence Day, Thanksgiving Day, the day after Thanksgiving, Christmas Day.

11. Travel Policies

- a. Customer is responsible for airfare, lodging and related travel expenses for onsite consultants.
- b. Customer is responsible for travel costs for employees attending training at a Kronos location.
- c. Customer is responsible for travel and related costs for a Kronos trainer providing instruction at the Customer location.
- d. If a Kronos employee is required on-site per the customer request, a minimum of 8 hours will be billed per day.

12. Cancellation Policies: Kronos requires notification for the cancellation or rescheduling of Kronos personnel as well as the cancellation of Instructor led classes. Customer will be charged for failure to meet the following notification requirements:

a. Professional Services:

- i. 2 business days prior to scheduled work – 50% of planned charges are invoiced for schedule work
- ii. 1 business day prior to scheduled work – 100% of planned charges are invoiced for scheduled work
- iii. Business days are: Monday, Tuesday, Wednesday, Thursday, and Friday, excluding Holidays

b. Education Services:

- i. For any PUBLIC course held in the traditional classroom or in the virtual classroom, attendees must cancel at least five business days before the class start date to avoid cancellation fees (equal to the cost of the course). Student substitutions can be made at any time as long as prerequisites have been met.
- ii. For any PRIVATE course held at a customer site, in the traditional classroom, or in the virtual classroom: attendees must cancel at least ten business days before the class start date to avoid cancellation fees (equal to the cost of the course). Student substitutions can be made at any time as long as prerequisites have been met.

c. Cancellation Policy Example:

- i. Work is schedule for Wednesday, 1p-5p (4 hours)
- ii. If customer cancels on:
 - 1. Friday – no penalty
 - 2. Monday – 50% of planned charges are invoiced (2 hours)
 - 3. Tuesday – 100% of planned charged are invoiced (4 hours)

d. Cancellation Policy Example with a Holiday:

- i. Work is schedule for Wednesday, 1p-5p (4 hours)
- ii. If customer cancels on:
 - 1. Thursday – no penalty
 - 2. Friday – 50% of planned charges are invoiced (2 hours)
 - 3. Monday – holiday, doesn't count as "business day"

4. Tuesday – 100% of planned charged are invoiced (4 hours)

13. Additional Education Services Policies

- a. All Instructor-led Educational Services classes will be held at a Kronos facility, or via the Kronos Virtual Classroom (if offered in that modality), unless Customer has purchased onsite location training.

Kronos Incorporated
297 Billerica Road
Chelmsford, MA 01824
Phone: (978)250-9800

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KRONOS SALES, SOFTWARE LICENSE AND SERVICES AGREEMENT

Rev KR-022811.1

City of Everett ("Customer") and Kronos agree that the terms and conditions set forth in this Agreement shall apply to all Kronos Equipment, Software, Professional and Educational Services, Support, and such other Kronos offerings, as specified on an order form (an "Order Form") signed by the parties which expressly references this Agreement (or is signed contemporaneously hereto).

Kronos and Customer hereby agree that the terms and conditions of this Agreement apply to any Order Form executed by Kronos and Customer which expressly references this Agreement (including any Order Form signed contemporaneously with this Agreement regardless of the appearance of any express reference to this Agreement). Either party may discontinue use of this Agreement for future orders upon thirty (30) days prior written notice to the other party, provided however that any Order Form signed by the parties prior to the effective date of such notice shall remain in effect unless otherwise specifically terminated in accordance with the terms of this Agreement. Kronos may require additional terms and conditions for the sale or license of products or services not contemplated by this Agreement (including without limitation those that may be related to international services) provided that no such additional terms and conditions shall be binding upon Customer without Customer's prior written consent. Notwithstanding, Kronos will not be obligated to accept or approve an order for any products or services for which such additional terms and conditions are required. All orders are subject to the approval of Kronos' corporate office in Chelmsford, Massachusetts. This Agreement and the Order Form shall supersede the pre-printed terms of any Customer purchase order or other Customer ordering document, and no such Customer pre-printed terms shall apply to the items ordered.

1. PAYMENT AND DELIVERY

Unless otherwise set forth in this Agreement, payment terms are indicated on the Order Form or other contemporaneous ordering document containing product-specific payment terms signed by the parties. Delivery terms are as stated on the Order Form ("Delivery"). Kronos will invoice Customer for products upon Delivery. Unless otherwise set forth on the Order Form, Professional and Educational Services are provided on a time and materials basis, invoiced monthly as rendered. Customer agrees to pay all applicable taxes levied or based on the products, services or other charges hereunder, including state and local sales and excise taxes, and any taxes or amount in lieu thereof paid or payable by Kronos, exclusive of taxes based on net income. Customer agrees to pay a late charge of one percent (1%) per month, (but not in excess of the rate allowed by law), on any overdue amounts not the subject of a good faith dispute. If full payment is not made within 90 days of final payment due date, Customer is responsible for all expenses, including legal fees, incurred by Kronos for collection.

2. GENERAL LICENSE TERMS

Kronos owns or has the right to license the Software. The Software and Software documentation are confidential and may not be disclosed to a third party without Kronos' written consent. The Software contains proprietary trade secret technology. Unauthorized use and copying of such Software is prohibited by law, including United States and foreign copyright law. The price Customer pays for a copy of the Software constitutes a license fee that entitles Customer to use the Software as set forth below. Kronos grants to Customer a non-exclusive, nontransferable, perpetual (except as provided herein) license to use the Software. This license may be terminated by Kronos by written notice to Customer upon any material breach of this Agreement by Customer which remains uncured for a period of thirty (30) days after such written notice from Kronos. Upon such termination of this license by Kronos, Customer will have no further right to use the Software and will return the Software media to Kronos and destroy all copies of the Software (and related documentation) in Customer's possession or control. This license is subject to all of the terms of this Agreement.

3. FEE BASED LIMITATIONS

Customer recognizes and agrees that the license to use the Software is limited, based upon the amount of the license fee paid by Customer. Limitations, which are set forth on the Order Form, may include the number of employees, simultaneous or active users, Software product modules, Software features, computer model and serial number and partition, and/or the number of telephone lines or terminals to which the Software is permitted to be connected. Customer agrees to: i) use the Software only for the number of employees, simultaneous or active users, computer model, partition and serial number, and/or terminals permitted by the applicable license fee; ii) use only the product modules and/or features permitted by the applicable license fees; and iii) use the Software only in support of Customer's own business. Customer agrees not to increase the number of employees, simultaneous or active users, partitions, terminals, products modules, features, or to upgrade the model, as applicable, unless and until Customer pays the applicable fee for such increase/upgrade. Customer may not relicense or sublicense the Software to, or otherwise permit use of the Software (including timesharing or networking use) by any third party. Customer may not provide service bureau or other data processing services that make use of the Software without the express prior written consent of Kronos.

4. OBJECT CODE ONLY

Customer may use the computer programs included in the Software (the "Programs") in object code form only, and shall not reverse compile, disassemble or otherwise convert the Programs into uncompiled or unassembled code. The Programs include components owned by third parties. Such third party components are deemed to be Software subject to this Agreement. Customer shall not use any of the Programs (or the data models therein) except solely as part of and in connection with the Software and as described in the published documentation for such Software.

5. PERMITTED COPIES

Customer may copy the Programs as reasonably necessary to load and execute the Programs and for backup and disaster recovery and testing purposes only, except for additional copies of the Teletime Software and the Kronos iSeries (which must be licensed separately). All copies of the Programs or any part thereof, whether in printed or machine readable form and whether on storage media or otherwise, are subject to all the terms of this license, and all copies of the Programs or any part of the Programs shall include the copyright and proprietary rights notices contained in the Programs as delivered to the Customer.

6. UPDATES

In the event that Kronos supplies Service Packs, Point Releases and Major Releases (including legislative updates if available) of the Software (collectively referred to as "Updates"), such Updates shall be part of the Software and the provisions of this license shall apply to such Updates and to the Software as modified thereby.

7. EXPORT

Customer acknowledges that the Equipment and Software may be restricted by the United States Government or by the country in which the Equipment or Software is installed from export to certain countries and certain organizations and individuals, and agrees to comply with such laws. Customer agrees to comply with all applicable laws of all of the countries in which the Equipment and Software may be used by Customer and shall indemnify Kronos for any noncompliance which results in damages or liability for Kronos. Customer's obligations hereunder shall survive the termination or expiration of this Agreement. Customer must obtain Kronos' prior written consent before exporting the Software.

8. FIRMWARE

Customer may not download firmware updates for the Kronos Equipment unless Customer is maintaining such Equipment under a support plan with Kronos. If Customer is not maintaining the Equipment under a support plan with Kronos, Kronos shall have the right to verify Customer's Kronos Equipment to determine if Customer has downloaded any firmware to which Customer is not entitled. If Customer has downloaded firmware for the Kronos Equipment to which Customer is not entitled, Customer shall be responsible to pay Kronos for such updated firmware in accordance with Kronos' then-current support policies.

9. TRAINING POINTS

Training Points which are purchased by Customer may be redeemed for an equivalent value of instructor-led training sessions offered by Kronos. Available instructor-led sessions are listed at <http://customer.kronos.com> and each session has the Training Points value indicated. Training Points may be redeemed at any time within 12 months of the date of the applicable Order Form, at which time they shall expire. Training Points may not be exchanged for other Kronos products and/or services. Kronos will invoice Customer for the Training Points identified in the Order Form upon execution of such Order Form with payment due upon the payment terms indicated in such Order Form.

10. ACCEPTANCE

For Customer's initial purchase of each Equipment and Software product Kronos shall provide an acceptance test period (the "Test Period") that commences upon Installation. Installation shall be defined as: a.) the Equipment, if any, is mounted; b.) the Software is installed on Customer's server(s); and c.) implementation team training, if any, is complete. During the Test Period, Customer shall determine whether the Equipment and Software meet the Kronos published electronic documentation, ("Specifications").

The Test Period shall be for 30 days. If Customer has not given Kronos a written deficiency statement specifying how the Equipment or Software fails to meet the Specifications ("Deficiency Statement") within the Test Period, the Equipment and Software shall be deemed accepted. If Customer provides a Deficiency Statement within the Test Period, Kronos shall have 30 days to correct the deficiency, and Customer shall have an additional 30 days to evaluate the Equipment and Software. If the Equipment or Software does not meet the Specifications at the end of the second 30 day period, either Customer or Kronos may terminate this Agreement. Upon any such termination, Customer shall return all Equipment and Software (and related documentation) to Kronos, and Kronos shall refund any monies paid by Customer to Kronos for the returned Equipment and Software. Neither party shall then have any further liability to the other for the products that were the subject of the Acceptance Test.

11. LIMITED WARRANTY

Kronos warrants that all Kronos Equipment and Software media shall be free from defects in materials and workmanship, for a period of ninety (90) days from Delivery. In the event of a breach of this warranty, Customer's exclusive remedy shall be Kronos' repair or replacement of the deficient Equipment and/or Software media, at Kronos' option, provided that Customer's use, installation and maintenance thereof have conformed to the Specifications. This warranty is extended to Customer only and shall not apply to any Equipment (or parts thereof) or Software media in the event of:

- (a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including modification or replacement of any Kronos components on any boards supplied with the Equipment), unusual physical or electrical stress or causes other than normal and intended use;
- (b) failure of Customer to provide and maintain a suitable installation environment, as specified in the Specifications; or
- (c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

When using and applying the information generated by Kronos products, Customer is responsible for ensuring that Customer complies with the applicable requirements of federal and state law. If Customer is licensing Workforce Payroll Software or Workforce Absence Management Software: (i) Customer is solely responsible for the content and accuracy of all reports and documents prepared in whole or in part by using such Software, (ii) using such Software does not release Customer of any professional obligation concerning the preparation and review of such reports and documents, (iii) Customer does not rely upon Kronos, Best Software, Inc. or such Software for any advice or guidance regarding compliance with federal and state laws or the appropriate tax treatment of items reflected on such reports or documents, and (iv) Customer will review any calculations made by using such Software and satisfy itself that those calculations are correct.

12. INDEMNIFICATION

Kronos agrees to indemnify Customer and to hold it harmless from and against any and all claims, costs, fees and expenses (including reasonable legal fees) relating to actual or alleged infringement of United States or Canadian patents or copyrights asserted against Customer by virtue of Customer's use of the Software as delivered and maintained by Kronos, provided that: i) Kronos is given prompt written notice of any such claim and has sole control over the investigation, preparation, defense and settlement of such claim; and, ii) Customer reasonably cooperates with Kronos in connection with the foregoing and provides Kronos with all information in Customer's possession related to such claim and any further assistance as reasonably requested by Kronos. Kronos will have no obligation to indemnify Customer to the extent any such claim is based on the use of the Software with software or equipment not supplied by Kronos. Should any or all of the Software as delivered and maintained by Kronos become, or in Kronos' reasonable opinion be likely to become, the subject of any such claim, Kronos may at its option: i) procure for Customer the right to continue to use the affected Software as contemplated hereunder; ii) replace or modify the affected Software to make its use non-infringing; or iii) should such options not be available at reasonable expense, terminate this Agreement with respect to the affected Software upon thirty (30) days prior written notice to Customer. In such event of termination, Customer shall be entitled to a pro-rata refund of all fees paid to Kronos for the affected Software, which refund shall be calculated using a five year straight-line depreciation commencing with the date of the relevant Order. Additionally, Kronos agrees to be liable for tangible property damage or personal injury caused solely by the negligence or willful misconduct of its employees.

13. PROFESSIONAL AND EDUCATIONAL SERVICES

(a) TRAVEL EXPENSES

Customer agrees to reimburse Kronos for all reasonable and necessary travel incurred by Kronos in the performance of any professional and/or educational services, provided that such travel complies with the then current Kronos Travel and Expense Policies. Customer further agrees to pay any travel expenses such as airfare, lodging, meals and local transportation, plus an administrative fee of ten percent (10%) of the amount of such travel expenses, incurred by Kronos to deliver purchased professional services and/or educational services in accordance with the Kronos Travel and Expense Policies. Customer will be billed by Kronos for such travel expenses and payment thereof shall be due net 30.

(b) ENGAGEMENTS

Unless otherwise indicated on the Order Form, Professional and Educational Services ("Professional Services") shall be provided on a time and material basis at the rates set forth in the Order Form. If a dollar limit is stated in the Order Form or any associated statement of work ("SOW"), the limit shall be deemed an estimate for Customer's budgeting and Kronos' resource scheduling purposes. After the dollar limit is expended, Kronos will continue to provide Professional Services on a time and materials basis, if a Change Order or Schedule of Services for continuation of the Professional Services is signed by the parties.

(c) WARRANTY

Kronos warrants that all professional and educational services performed under this Agreement shall be performed in a professional and competent manner. In the event that Kronos breaches this warranty, and Customer so notifies Kronos within 60 days of receipt of invoice for the applicable services, the Customer's sole remedy and Kronos' exclusive liability shall be to re-perform the services which were deficient in a manner so as to conform to the foregoing warranty, at no additional cost to Customer.

(d) KRONOS PROFESSIONAL/EDUCATIONAL SERVICES POLICIES

Kronos' then-current Professional/Educational Services Policies shall apply to all Professional and/or Educational Services purchased under the applicable SOW and may be accessed at: <http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm> ("Professional Services Policies"). In the event of a conflict between the Professional Services Policies and this Agreement, the terms of this Agreement shall prevail.

14. SOFTWARE SUPPORT SERVICES

(a) SUPPORT OPTIONS

Customer may select from the following Software support purchase options: Gold (or Gold Plus) and Platinum (or Platinum Plus) support ("Service Type"), each providing different service coverage periods and/or service offerings, as specified herein ("Service Offerings") and in the Kronos Support Service Policies (defined below). Customer must purchase the same Service Type for all of the Software specified on the Order Form, (however, if Customer is purchasing support services for Visionware Software, Customer may only purchase Gold Service Type for the Visionware Software). All Updates shall be provided via remote access. Customer may purchase support services for Equipment in accordance with the terms and conditions of Kronos' standard Equipment Support Services Agreement a copy of which is available upon request and is located at: <http://www.kronos.com/Legal/EquipmentSupportAgr.aspx>.

(b) EXTENDED SUPPORT PROGRAM (DELL SERVERS)

Customers purchasing the Extended Support Program (as indicated on the Order Form) for their Dell servers purchased from Kronos shall receive a specialized, bundled set of Kronos Support Services. Because of the specialized nature of these services, the terms and conditions located at <http://www.kronos.com/Legal/SupplementalTerms.aspx> shall supersede the provisions of this Agreement for the Extended Support Program.

(c) TERM OF SOFTWARE SUPPORT

Unless otherwise indicated on the Order Form, support service shall commence on the Software Delivery date and shall continue for an initial term of one (1) year. Support service shall automatically renew for additional one year terms on the anniversary date of its commencement date, unless either party notifies the other in writing sixty (60) days prior to that anniversary renewal date. After the one year initial term of this Agreement, the Service Offerings provided and the Service Coverage period are subject to change by Kronos with sixty (60) days advance written notice to Customer. For the initial two (2) renewal years the annual support fee, for the same products and service type, will not increase by more than 4% over the prior year's annual support fee.

(d) GOLD SERVICE OFFERINGS

Customer shall be entitled to receive:

- (i) Updates for the Software (not including any Software for which Kronos charges a separate license fee), provided that Customer's operating system and equipment meet minimum system configuration requirements, as reasonably determined by Kronos. If Customer requests Kronos to install such Updates or to provide retraining, Customer agrees to pay Kronos for such installation or retraining at Kronos' then-current time and materials rate.
- (ii) Telephone and/or electronic access to the Kronos Global Support Center for the logging of requests for service during the Service Coverage Period. The Service Coverage Period for the Gold Service Offering is 8:00 a.m. to 8:00 p.m., local time, Monday through Friday, excluding Kronos holidays.
- (iii) Web-based support including access to Software documentation, FAQ's, access to Kronos knowledge base, Customer forums, and e-case management. Such offerings are subject to modification by Kronos. Current offerings can be found at <http://www.kronos.com/services/support-services.aspx>.
- (iv) Web-based remote diagnostic technical assistance which may be utilized by Kronos to resolve Software functional problems and user problems during the Service Coverage Period.
- (v) Access to specialized content as and when made available by Kronos such as technical advisories, learning quick tips, brown bag seminars, technical insider tips, SHRM e-Learning, HR Payroll Answerforce and service case studies.

(e) PLATINUM AND PLUS SERVICE OFFERINGS:

Platinum: In addition to the Service Offerings specified for the Gold Service Offering above, the Service Coverage Period for the Platinum Service Offering is 24 hours a day, seven days a week, 365 days a year.

Plus option: In addition to the Service Offerings specified for the Gold Service Offering above, customers purchasing the Plus option shall receive the services of a dedicated, but not exclusive, Kronos Technical Account Manager ("TAM") for one production instance of the Software. Customers purchasing the Gold-Plus option shall designate up to one primary and one secondary backup technical contacts ("Technical Contacts") to be the sole contacts with the TAM, while customers purchasing the Platinum-Plus option shall designate up to two primary and three secondary backup Technical Contacts. Upon request, Customer may designate additional and/or backup Technical Contacts. Customer is required to place all primary Technical Contacts through Kronos product training for the Software covered under this Agreement at Customer's expense.

Customers purchasing the Platinum-Plus option shall also receive a one day per year visit to be performed at the Customer location where the Software is installed. During this onsite visit, Kronos shall work with Customer to identify ways to help Customer increase functionality or maximize utilization of the Software in Customer's specific environment. Customer must be utilizing the then-current version of the Software. Travel and expenses are not included and shall be paid by Customer.

(f) PAYMENT

Customer shall pay annual support charges for the initial term in accordance with the payment terms on the Order Form and for any renewal term upon receipt of invoice. Customer shall pay additional support charges, if any, and time and material charges upon receipt of invoice.

(g) ADDITION OF SOFTWARE

Additional Software purchased by Customer during the initial or any renewal term shall be added to this Agreement at the same support option as the then current Software support coverage in place under these terms. Customer agrees to pay the charges for such addition, and any such addition shall be automatically renewed as provided in these terms.

(h) RESPONSIBILITIES OF CUSTOMER

Customer agrees (i) to provide Kronos personnel with full, free and safe access to Software for purposes of support, including use of Kronos' standard remote access technology, if required; (ii) to maintain and operate the Software in an environment and according to procedures which conform to the Specifications; and (iii) not to allow

support of the Software by anyone other than Kronos without prior written authorization from Kronos. Failure to utilize Kronos' remote access technology may delay Kronos' response and/or resolution to Customer's reported Software problem. If Customer requires the use of a specific remote access technology not specified by Kronos, then Customer must purchase the Plus option to receive support and provide Kronos personnel with full, free and safe access to the remote access hardware and/or software.

(i) DEFAULT

Customer shall have the right to terminate Kronos support services in the event that Kronos is in breach of the support services warranty set forth below and such breach is not cured within fifteen (15) days after written notice specifying the nature of the breach. In the event of such termination, Kronos shall refund to Customer on a pro-rata basis those pre-paid annual support fees associated with the unused portion of the support term, in addition to any other remedies available under applicable law or under this Agreement. Kronos reserves the right to terminate or suspend support service in the event the Customer is in default under this Agreement with Kronos and such default is not corrected within fifteen (15) days after written notice. In addition, the support services will terminate and all charges due hereunder will become immediately due and payable in the event that Customer ceases to do business as a going concern or has its assets assigned by law.

(j) WARRANTY

Kronos warrants that all support services shall be performed in a professional and competent manner.

(k) KRONOS SUPPORT SERVICE POLICIES

Kronos' then-current Support Services Policies shall apply to all Support Services purchased and may be accessed at: <http://www.kronos.com/Support/SupportServicesPolicies.htm> ("Support Policies"). In the event of a conflict between the Support Policies and this Agreement, the terms of this Agreement shall prevail.

15. KNOWLEDGEPASS EDUCATION SUBSCRIPTION:

The parties hereby agree that the following terms shall apply to Customer's purchase of the Kronos KnowledgePass Education Subscription only, if specified on the Order Form:

(a) Scope: The KnowledgePass Education Subscription is available to customers who are licensing Kronos' Workforce Central and iSeries Timekeeper Software products and who are maintaining such products under a support plan with Kronos. The KnowledgePass Education Subscription provides access via the internet to certain educational offerings provided by Kronos (the "KnowledgePass Content"), including:

- Product and upgrade information for project teams and end users
- Hands-on interactive instruction on common tasks
- Self-paced tutorials covering a range of topics
- Job aids
- Knowledge assessment and reporting tools to measure progress
- Webinars

(b) Term of Subscription: The KnowledgePass Education Subscription shall run co-terminously with Customer's Software Support, and shall renew for additional one (1) year terms provided Customer renews its KnowledgePass Education Subscription as provided below.

(c) Payment: Customer shall pay the annual subscription charge for the initial term of the KnowledgePass Education Subscription in accordance with the payment terms on the Order Form. Kronos will send Customer a renewal invoice for renewal of the KnowledgePass Education Subscription at least forty five (45) days prior to expiration of the then current term. KnowledgePass Education Subscription shall renew for an additional one (1) year term if Customer pays such invoice before the end of the initial term or any renewal term.

(d) Limitations: Customer recognizes and agrees that the KnowledgePass Content is copyrighted by Kronos. Customer is permitted to make copies of the KnowledgePass Content provided in *pdf form solely for Customer's internal use and may not disclose such KnowledgePass Content to any third party other than Customer's employees. Customer may not edit, modify, revise, amend, change, alter, customize or vary the KnowledgePass Content without the written consent of Kronos, provided that Customer may download and modify contents of Training Kits solely for Customer's internal use.

(e) Train-the-Trainer Program (TTT): Certification under the Train-the-Trainer Program is valid only for the point release of the Software for which the TTT Program is taken, and covers only the Customer employee who completes the TTT Program.

16. CONFIDENTIAL INFORMATION

"Confidential Information" is defined as information that is: i) disclosed between the parties after the date of this Agreement that is considered confidential or proprietary to the disclosing party; and ii) identified as "confidential" at the time of disclosure, or would be reasonably obvious to the receiving party to constitute confidential information because of legends or other markings, by the circumstances of disclosure or the nature of the information itself. Additionally, the terms, conditions and pricing contained in this Agreement and the Order Form, the Software (and Software documentation), and the Specifications shall be deemed to be Kronos' Confidential Information. Each party shall protect the Confidential Information of the other party with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which such party utilizes for its own information of similar character that it does not wish disclosed to the public. Neither party shall disclose to third parties (except the parent company or the wholly owned subsidiaries of the receiving party who have a need to know) the other party's Confidential Information, or use it for any purpose not explicitly set forth herein, without the prior written consent of the other party. The obligation of confidentiality shall survive for three (3) years after the disclosure of such Confidential Information.

This Agreement imposes no obligation upon either party with respect to the other party's Confidential Information which the receiving party can establish by legally sufficient evidence: (a) was rightfully possessed by the receiving party without an obligation to maintain its confidentiality prior to receipt from the disclosing party, (b) is generally known to the public without violation of this Agreement; (c) is obtained by the receiving party in good faith from a third party having the right to disclose it without an obligation with respect to confidentiality; (d) is independently developed by the receiving party without use of the disclosing party's confidential information, which can be shown by tangible evidence; or (e) was required to be disclosed by applicable law; provided that the receiving party notifies the disclosing party of such requirement prior to disclosure, and provided further that the receiving party makes diligent efforts to limit disclosure.

Kronos acknowledges that Customer is subject to the Washington Public Records Act, chapter 42.56 RCW and other Washington statutes related to open government (collectively, the "Act"). If the Customer receives a records request under the Act that requests any records that may be considered confidential information or trade secrets of Kronos, then Customer shall give written notice to Kronos. The written notice will contain a description of the records that Customer intends to disclose and the date when the disclosure will occur. If Kronos desires that the records not be disclosed, Kronos shall commence an action in Snohomish County Superior Court before the

disclosure date. Notwithstanding anything to the contrary in this Agreement, the Customer has no liability whatsoever to Kronos for the disclosure of any record when that disclosure is consistent with the Act or with an order applying the Act entered by the Snohomish County Superior Court or a Washington appellate court.

17. MARKETING ACTIVITIES

Customer agrees that Kronos may use Customer's name as part of Kronos' published customer lists. Upon Kronos' request, Customer will participate in mutually beneficial marketing and public relations activities with Kronos. All content shall be subject to the prior review and approval of Customer, such approval not to be unreasonably withheld.

18. LIMITATION OF LIABILITY

CUSTOMER'S EXCLUSIVE REMEDIES AND KRONOS' SOLE LIABILITY FOR ANY KRONOS BREACH OF THIS AGREEMENT ARE EXPRESSLY STATED HEREIN. EXCEPT AS PROVIDED IN THIS AGREEMENT, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED.

EXCEPT FOR KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT, IN NO EVENT SHALL KRONOS' OR ITS PARENTS', SUBSIDIARIES', AFFILIATES', OR THIRD PARTY LICENSOR'S LIABILITY TO A CUSTOMER, HOWSOEVER CAUSED, EXCEED THREE TIMES THE TOTAL AMOUNTS PAYABLE IN THE TWELVE MONTHS PRIOR TO THE EVENT WHICH GIVES RISE TO THE CLAIM, AND IN NO EVENT WILL KRONOS OR ITS PARENTS, SUBSIDIARIES AFFILIATES OR THIRD PARTY LICENSORS BE LIABLE FOR LOST PROFITS, LOST DATA OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT WHETHER SUCH CLAIM IS BASED ON WARRANTY, CONTRACT, TORT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR CUSTOMER'S SPECIFIC USE OF, OR INABILITY TO SO USE, ANY EQUIPMENT, SOFTWARE OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

19. GENERAL

- (a) This Agreement shall be governed by Washington law, provided however, if such jurisdiction has adopted the Uniform Computer Information Transactions Act (UCITA), or such other similar law, the parties expressly agree to "opt-out" of and not be governed by UCITA or such other similar law. The parties waive the application of the United Nations Commission on International Trade Law and United Nations Convention on Contracts for the International Sale of Goods as to the interpretation or enforcement of this Agreement.
- (b) The invalidity or illegality of any provision of this Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.
- (c) Customer shall not assign this Agreement or the license to the Software without the prior written consent of Kronos and any purported assignment, without such consent, shall be void.
- (d) Neither party shall be liable for failures or delays in performance due to causes beyond its reasonable control, including war, strikes, lockouts, fire, flood, storm or other acts of God. Both parties agree to use their best efforts to minimize the effects of such failures or delays.
- (e) All notices given under this Agreement shall be in writing and sent postage pre-paid, if to Kronos, to the Kronos address on the Order Form, or if to Customer, to the billing address on the Order Form.
- (f) Intentionally Omitted.
- (g) The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement.
- (h) The parties agree that if this Agreement is delivered via fax or electronically delivered via email it shall constitute a valid and enforceable agreement.
- (i) This Agreement and any information expressly incorporated herein (including information contained in any referenced URL), together with the applicable Order Form, constitute the entire agreement between the parties for the products and services described herein and supersede all prior or contemporaneous representations, negotiations, or other communications between the parties relating to the subject matter of this Agreement. This Agreement may be amended only in writing signed by authorized representatives of both parties. Customer understands and acknowledges that while Kronos may disclose to customers certain confidential information regarding general product development direction, potential future products and/or product enhancements under consideration, Customer is not entitled to any products or product enhancements other than those contained on the Order Form. Customer has not relied on the availability of any future version of the Software or Equipment identified on an Order Form, nor any other future product in executing this Agreement.
- (j) Use, duplication, or disclosure by the United States Government is subject to restrictions as set forth in subparagraph (c) (1) (ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, or subparagraph (c)(1)(2) of the Commercial Computer Software Restricted Rights clause at FAR 52.227-19, as applicable. Manufacturer/distributor is Kronos Incorporated, 297 Billerica Road, Chelmsford, MA.
- (k) The Superior Court of Washington for Snohomish County is exclusive venue for any dispute arising from or relating to this Agreement.

DATED: 8/11/2014

CITY OF EVERETT:

BY: Ray Stephanson
NAME: Ray Stephanson
TITLE: Mayor

KRONOS INCORPORATED

BY: [Signature]
NAME: John O'Brien
TITLE: Sr. Vice President, Global Sales

ATTEST:
[Signature]
City Clerk

APPROVED AS TO FORM

[Signature]
JAMES D. ILES, City Attorney



ORDER FORM

Quote#: 328596 - 1
 Expires: 26-SEP-2014
 Prepared By: Ellison, Alena M

Order Type: Upgrade US
 Date: 27-JUN-2014
 Page: 1/2

Bill To: CITY OF EVERETT, ACCOUNTING DIVISION
 PO BOX 12130
 EVERETT
 WA 98206
 United States

Ship To: Attn:KEVIN WALSER
 CITY OF EVERETT/HR DEPT
 2930 WETMORE AVE
 EVERETT
 WA 98201
 United States

Solution ID: 6051682

Contact: Kevin Walsler
Email: KWalsler@everettwa.gov

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:

Contact:
 Kevin Walsler
 1 (425) 257-8663
 kwalsler@ci.everett.wa.us

Your Kronos solution includes:

SOFTWARE

Item	License/Qty	Total Price
WORKFORCE INTEGRATION MANAGER V7	1350	
	Total Price	\$3,240.00

*Includes applicable software media

SUPPORT SERVICES

Item	Duration	Total Price
GOLD SUPPORT SERVICE	1 YR	\$712.80
	Total Price	\$712.80

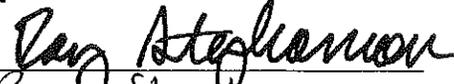
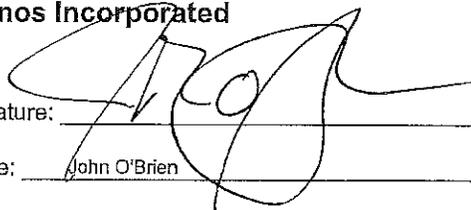
*Support values listed above are total for all applicable products in each section of this Order Form

QUOTE SUMMARY

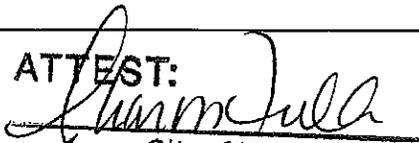
Description	Total Price
Subtotal	\$3,952.80
Deposit	(\$0.00)
Tax	\$363.66
Grand Total	\$4,316.46

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 www.kronos.com

**CITY OF EVERETT, ACCOUNTING
DIVISION**Signature: Name: Ray StephansonTitle: MayorEffective Date: 8/11/2014**Kronos Incorporated**Signature: Name: John O'BrienTitle: Sr. Vice President, Global SalesEffective Date: June 30, 2014

Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE. The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html. Shipping and handling charges will be reflected on the final invoice.

ATTEST:
City Clerk



ORDER FORM

Quote#: 375877 - 1
 Expires: 26-SEP-2014
 Prepared By: Ellison, Alena M

Order Type: Upgrade US
 Date: 27-JUN-2014
 Page: 1/2

Bill To: CITY OF EVERETT/HR DEPT
 2930 WETMORE AVE
 EVERETT
 WA 98201
 United States

Ship To: Attn:KEVIN WALSER
 CITY OF EVERETT/HR DEPT
 2930 WETMORE AVE
 EVERETT
 WA 98201
 United States

Solution ID: 6051682

Contact: Kevin Walser
Email: KWalser@everettwa.gov

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:

Contact:
 Kevin Walser
 1 (425) 257-8663
 kwalser@ci.everett.wa.us

This order entered into between the Customer and Kronos is subject to the terms and conditions of the Contract #14-JLR-003 dated March 18th, 2014 between the Lead Agency (acting as the "Owner") and Kronos Incorporated (as the "Contractor").

PROFESSIONAL SERVICES / EDUCATIONAL SERVICES

Item	Quantity	Unit Price	Total Price
MOMENTUM ONLINE REMOTE TEAM	133 Hours		\$25,500.00
Project Manager	24 Hours	\$180.00	
Application Consultant	33 Hours	\$180.00	
Integration Consultant	24 Hours	\$180.00	
Technology Consultant	52 Hours	\$210.00	
BILL-AS-YOU-GO INSTRUCTOR LEAD TRAINING	6600 Points		\$6,600.00
	4600 Points	\$1.00	
	2000 Points	\$1.00	
KNOWLEDGE PASS	1 Each	\$0.00	\$0.00
ED SERVICES SUBSCRIPTION	1 Contract	\$2,100.00	\$2,100.00
Total Price			\$34,200.00

QUOTE SUMMARY

Description	Total Price
Subtotal	\$34,200.00
Deposit	(\$0.00)
Tax	\$0.00
Grand Total	\$34,200.00

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics

Kronos Incorporated 297 Billerica Road Chelmsford, MA 01824 (800) 225-1561 (978) 250-9800 www.kronos.com

CITY OF EVERETT/HR DEPT	Kronos Incorporated
Signature: <u>Ray Stephanson</u>	Signature: <u>[Signature]</u>
Name: <u>Ray Stephanson</u>	Name: <u>John O'Brien</u>
Title: <u>Mayor</u>	Title: <u>Sr. Vice President, Global Sales</u>
Effective Date: <u>8/11/2014</u>	Effective Date: <u>June 30, 2014</u>
<small>Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE. The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html. Shipping and handling charges will be reflected on the final invoice.</small>	

ATTEST:
[Signature]
City Clerk



Services Scope Statement

City of Everett - 6051682

Workforce Central Upgrade v5.2 to v7

Sales Executive	Alena Ellison	Presales Consultant	
Expiration Date	9/26/2014	Service Portfolio Consultant	Howard Stohlman/Bert Carr/Ben Wessner
Customer Name	City of Everett	File Name Control ID	2014-7677
SSS Create Date	6/5/2014	Revision #	1
Project Type	Upgrade with Add-on	Status	Approved

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CONFIDENTIAL - Not to be disclosed to third parties without specific written consent from Kronos.



1. PROJECT SCOPE

This Services Scope Statement (also known as the "SSS") documents the agreement between Kronos Incorporated and City of Everett concerning the services to be performed by Kronos, including the deliverables, the costs of the project, the responsibility of each party and how the project will be managed.

1.1. PROJECT OVERVIEW

City of Everett HR Department is upgrading from Workforce Central Version 5.2 to Workforce Central Version 7.

1.2. PRODUCT SUMMARY

The following products are considered in scope for the services and fees defined within this document, unless otherwise noted below. Additional products and/or licenses may incur additional fees.

Product	Implementation Type	Version
Workforce Timekeeper	Upgrade with Features	7.0
Workforce Employee	Upgrade	7.0
Workforce Manager	Upgrade	7.0
Workforce Integration Manager	New	7.0

1.3. PROJECT DURATION

Depending upon City of Everett resource availability and project task capability, the duration of the project may need to be extended. This will increase the number of hours required for tasks that are performed on a weekly basis such as managing project communications, managing/updating project plans, facilitating project meetings and updating project status reports.

Estimated Duration of Project	12 weeks
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2. PROJECT GUIDELINES

2.1. CHANGE CONTROL

If the Scope of Services defined in this document changes at any time during the course of this project, Kronos and City of Everett will review and adjust the scope and budget of services through standard Kronos change control procedures.

Please review the Kronos Change Control Policy:

<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

2.2. CUSTOMER APPROVAL OF SERVICE DELIVERABLES

As part of the project, service deliverables may be provided to City of Everett for approval and/or acceptance. Delays in customer approval/acceptance of deliverables will result in an extension of the project timeline and may result in additional services being required. To avoid project delays and increased costs, City of Everett should expect to approve/accept deliverables or provide written notification of errors to Kronos within five (5) business days after receipt of the deliverable. Following the receipt of a revised deliverable, City of Everett will then have an additional five (5) business days to report that all errors have been resolved and provide deliverable acceptance.

2.3. ENGAGEMENT RECOMMENDATIONS

City of Everett is responsible for developing their workforce management policies and for documenting and disseminating business procedures and policy changes to support the Kronos system prior to Kronos implementing the policies. The City of Everett Project Team will attend appropriate Kronos training prior to and while participating in the implementation. City of Everett understands that Kronos recommends setup of both a DEVELOPMENT and PRODUCTION environment.

Commitment from City of Everett upper management is crucial to the success of the project. Kronos assumes City of Everett will assign a Project Executive Sponsor. The Executive Sponsor is responsible for implementing the necessary change management for City of Everett to embrace using an automated Workforce Management system and for ensuring the Project Team is appropriately staffed, made available and is executing their tasks according to the Project Plan.



3. PROJECT MANAGEMENT

3.1. PROJECT PLANNING AND MANAGEMENT

Kronos will deliver a project workbook or checklist and facilitate periodic status meetings.

Project Management Description	
Remotely Delivered Project Support Services	Average 2 hours per week

4. KRONOS UPGRADE PROCESS

4.1. UPGRADE PHASES AND ACTIVITIES

Below is a high-level summary of general upgrade phases and activities, including Kronos and City of Everett responsibilities. The Kronos and City of Everett Project Managers will work to coordinate and schedule these and any additional project-specific activities as part of the Plan phase of the project.

Plan Phase Activities	Resources Responsible
Project Initiation Call/ Sales to Service Call	Kronos PM
Introduction Call with the Customer	Kronos PM, Kronos Lead TC, Customer
Technical Environment Discover (part of Intro Call)	Kronos PM, Kronos Lead TC, Customer
Provide Technical Readiness Call Agenda and Finalize Date	Kronos PM
Provide Interface Assessment Agenda and Finalize Date	Kronos PM
Provide KnowledgePass™ Upgrade Learning Path	Kronos PM
Engage Education Services for End User Upgrade Education Package	Kronos PM
Review Training Schedule based on Classes outlined in SOW (if applicable)	Kronos PM
Create Initial Project Schedule	Kronos PM
Milestone: Customer Assessment Readiness	

Assess Phase Activities	Resources Responsible
Server environment available and Pre-Requisites have been installed	Customer IT
Schedule Technical Readiness Call with Lead TC	Kronos PM
Schedule Interface Assessment with Interface AC	Kronos PM
Conduct Technical Readiness Call with Customer <ul style="list-style-type: none"> Discuss Test Upgrade Date Verify Software Downloads Verify Licenses 	Kronos Lead TC, Customer
Conduct System Check (may be part of TRC)	Lead TC, Customer
Conduct Interface Assessment	Kronos IC, Customer
Confirm Test Upgrade Date	Kronos PM, Customer PM
Review Project Schedule (and Training Plan, if applicable)	Kronos PM, Customer PM
Enroll Customer in Courses based on agreed-upon Training Plan	Kronos PM
Assessment of New Features (if applicable)	Kronos AC

Solution Build Phase Activities	Resources Responsible
Perform Test Upgrade	Kronos TC
Test Clock Communications	Kronos TC
AC Configuration Test Upgrade <ul style="list-style-type: none"> Implement new features, if applicable Configuration of Clocks and Testing Configuration of Standard Navigators, if applicable Validation of Test Upgrade 	Kronos AC
Interface Test Upgrade <ul style="list-style-type: none"> Upgrade and deploy interfaces 	Kronos IC
Kronos Unit Testing	Kronos Team
Attend Training Courses based on agreed-upon Training Plan	Customer Testing Team
Review Project Schedule	Kronos PM

Test and Certify Phase Activities	Resources Responsible
Test Workshop & System Overview <ul style="list-style-type: none"> Review New Features (ex. Navigator) Review Testing Checklist 	Kronos AC, Customer



Test and Certify Phase Activities	Resources Responsible
Validate Test Clock with Upgraded System	Customer, Kronos AC
Customer Validation	Customer
Interface Testing Workshop	Kronos IC, Customer
Kronos Unit Testing	Kronos Team
Attend Training Courses based on agreed-upon Training Plan	Customer Testing Team
Review Project Schedule	Kronos PM
Milestone: Solution Acceptance	

Deploy and Support Phase Activities	Resources Responsible
Deployment Readiness <ul style="list-style-type: none"> Internal Project Team Go-Live Prep Call Go-Live Readiness Call / Review Deployment Checklist 	Customer, Kronos Team
Perform Production Upgrade	Kronos TC
Post-Upgrade Validation	Kronos AC, Kronos IC
Customer Validation	Customer
Go-Live Support <ul style="list-style-type: none"> Payroll Processing Support 	Kronos Team
Transition / Project Close	Kronos PM, Customer
Milestone: Production	

5. PROJECT SCOPE DETAIL

5.1. APPLICATION BUILDING BLOCKS

General Information	
Number of Employees in Project Scope	1500
Number of Sites (facilities, locations etc.)	1
Decentralized	No



Unions	No
Number of Managers that will be supported	150
Workforce Central Technology Factors	
Total number of environments	2
The database platform will be	SQL Server
Workforce Central Technology Services Scope	
<ul style="list-style-type: none"> • Technical Preparation for Deployment and Support 	
Workforce Timekeeper	
This product will be implemented in phase	1
Number of Employees within Scope	1500
Number of Assessment Groups	1
Number of Deployment Groups	1
Workforce Timekeeper Professional Services Scope	
<ul style="list-style-type: none"> • Standard Upgrade with core configuration, WDM setup, up to 3 Navigators with 6 widgets per Navigator • Workforce Central Core Technical Upgrade • Workforce Central Architecture Review with Record Retention Configuration • Workforce Central Basic Hardware Sizing • Workforce Central Upgrade - GoLive Support • 2 Environments: Workforce Central Upgrade • Alerts Package 	
Workforce Integration Manager	
This product will be implemented in phase	1
Number of Employees within Scope	1500
Integrations In Scope	
<ul style="list-style-type: none"> • 1 Integration Assessment • 3 Interfaces to be Upgraded • Export to Harris - Pay Data Export to Harris 	

6. EDUCATIONAL SERVICES

6.1. INTRODUCTION

As part of your overall solution, Kronos Educational Services are included to help secure maximum user adoption. Kronos Educational Services has included an education strategy to train the implementation, functional and technical project team members and end users. The curriculum is structured by employee job role to ensure that each member of your team who interacts with the application has a clear learning path designed to develop knowledge in a logical sequence.

6.2. EDUCATIONAL SERVICES IN SCOPE

Educational Service	Description
Project Team Training	<p>Includes product classes designed for key project team member based on individual job roles. All course delivery is purchased via training points to allow you to plan and budget training for your organization, yet give you flexibility to select specific courses to meet your implementation and continuing education needs. Training points can be used toward instructor-led training in the virtual classroom, in the traditional classroom, and for onsite training. Online course descriptions include the training point value. Each course has a point value that equals the price of the class.</p> <p>Pricing for public classes, both virtual and in a Kronos classroom, is based on one student per paid seat. Pricing for each private event is based on a daily rate for the number of planned attendees. If additional students attend training, additional fees may be incurred. The total training points and associated cost will be reflected on your Sales Agreement.</p>
KnowledgePass™ Subscription	<p>KnowledgePass™ is an online educational portal that provides 24/7 anytime-anywhere access to in-depth training content to help your employees maximize productivity and achieve their goals from implementation to optimization. Gain instant access to helpful tutorials, job aids, in-depth, hands on tools, webinars, and educational documents to help your team succeed.</p>



6.3. PROJECT TEAM TRAINING

Course Name	# of Seats/Qty	Unit of Measure	Points	Total Points
WFC 7.0 Administering Navigators	2	Seat	600	1200
WFC 7.0 Administering the Application	2	Seat	1200	2400
Workforce Central Preparing to Upgrade	1	Unlimited	0	0
WTK 7.0 Managing Timecards & Preparing for Payroll	1	Seat	1000	1000
WTK Assessing the Impact of Pay Rule Changes	1	Unlimited	0	0

6.4. END USER TRAINING

Service Name	Quantity	Unit of Measure
WFC 7.0 Employee User Adoption Kit	1	Unlimited
WTK 7.0 Train-the-Trainer 400-1500, 1 participant	2	Program



7. PROJECT COSTS AND RATE SCHEDULES

All estimates are quoted in USD.

7.1. PROFESSIONAL SERVICES - BY ROLE

Role	Quantity	Unit of Measure	Part Number	Rate	Total
Project Manager	24	HR	9990002-ONL	\$180.00	\$4,320.00
Application Consultant	33	HR	9990002-ONL	\$180.00	\$5,940.00
Technology Consultant	52	HR	9990002-ONL	\$210.00	\$10,920.00
Integration Consultant	24	HR	9990002-ONL	\$180.00	\$4,320.00
Totals:	133				\$25,500.00

7.2. EDUCATIONAL SERVICES

Product Name	Part Number	Quantity	Unit of Measure	Rate	Total
KnowledgePass™	8602748-001	1	EA	\$2,100.00	\$2,100.00
Bill-As-You-Go Instructor Lead Training	BAYG-ILT	4600	PTS	\$1.00	\$4,600.00
WTK 7.0 TTT - 400-1500 (1 participant)	BAYG-ILT	2000	PTS	\$1.00	\$2,000.00
Total Estimated Educational Services					\$8,700.00

7.3. SOLUTION SUMMARY

Service Type	Estimated Cost
Professional Services	\$25,500.00
Educational Services	\$8,700.00
Total Estimated Investment	\$34,200.00



8. SIGNATURES AND APPROVALS

SUBMITTED AND APPROVED BY KRONOS REPRESENTATIVE

By: [Signature] Date: June 30, 2014
Title: Sr. Vice President, Global Sales

This Services Scope Statement is subject to City of Everett's agreement with Kronos governing Professional, Education and Cloud Services. By signing below, City of Everett's authorized representative agrees to purchase the services described herein.

ACCEPTED AND AGREED

City of Everett
By: [Signature] Date: 8/11/2014
Title: Mayor

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APPROVED AS TO FORM
[Signature]
JAMES D. ILES, City Attorney

ATTEST:
[Signature]
City Clerk



APPENDIX A

1.1. ENGAGEMENT GUIDELINES

Please review the Kronos engagement guidelines:

<http://www.kronos.com/professionalservicesengagementpolicies.aspx>

